



King County

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October 16, 2006

Honorable King County Councilmembers
And the People of King County

I am pleased to transmit my proposed 2007 budget for King County government to the Metropolitan King County Council for its consideration. For the second consecutive year, I am happy to tell you that we have been able to balance the Current Expense (CX) Fund budget without resorting to targeted program and service level reductions.

Over the course of a four year period from 2002 through 2005, King County faced severe financial challenges. You are all familiar with what was required to do to meet the financial crisis King County faced in balancing our CX budget: \$74.4 million in budget reductions, the generation of \$38.2 million in new revenues, and savings of \$19.1 million in lower salary, benefit and retirement costs. We met those challenges because together we established and kept faith with sound financial policies. We invested in programs that would enable us to meet our responsibilities to the public with fewer resources. We diligently looked at program expansions to determine whether they met the needs and priorities of our citizens. While the experience of those years of budget reductions were difficult, they brought us to a position in preparing the 2006 budget where we did not have to look forward to another year of budget reductions. The same is true this year as we prepared the 2007 budget.

The 2007 budget I submit to you today presents other challenges. The improvement in outlook meant that for 2006-2007 we did not have to balance the CX budget by resorting to further reductions. This may give rise to a feeling of optimism that we can now expand existing programs and create new ones because the problems we faced from 2002 through 2005 are history and we can now look to the future. That approach will surely put us back into a budget reduction mode. As will be found in the CX financial plan included as a part of my budget proposal, we are forecasting that we will again face CX deficits in 2008 and 2009. While the order of magnitude of those deficits is not as large as we faced in earlier years, they are real and will require that both today, and in the future, we continue the prudent financial management practices that brought us through the 2002 through 2005 period. Now is not the time to create bow waves of additional costs for the future, but rather to consider how the resources we do have can make for a better future for the people of King County. I urge the council, in its budget deliberations, to hold fast to the sound fiscal practices that have enabled us to submit a budget today that is balanced without resorting to spending our precious reserves.



The total budget for King County government for 2007 totals \$3.89 billion. This represents an increase of 14 percent above the adopted 2006 budget level of \$3.42 billion. Sixty percent of that increase is found in the Capital Improvement Program, with the requested budget for the Brightwater Treatment Plant and associated conveyance comprising the largest piece. Total authorized county employment, including full time equivalent and term limited temporary positions, will rise from 13,447 in 2006 to 13,568 in 2007, an increase of only nine tenths of one percent.

Investing in our Future

To provide the foundation for economic stability, personal health and an excellent quality of life, we need to prioritize our public resources to invest in our infrastructure. We must invest in the continuous process of rebuilding in order to secure a bright future for our families. The budget I present to you today enables us to prevent, rather than react to crises. It calls for a 2007 Capital Improvement Program of over \$1.1 billion, an increase of over \$330 million from the 2006 adopted level. The projects in my proposed budget will help safeguard our water quality, improve key transportation corridors and ensure that future growth can be accommodated.

Maintenance of our infrastructure is a basic responsibility of government. A thriving community with a strong economy and a high quality of life is possible only when we invest in our pipes, roads and bridges – the basic blood and bones of a vital community. It may not be exciting but is essential to our basic well-being and is cost-effective. These are the investments that communities must make so that they are prepared for both the future growth that we all know is inevitable, but also to avoid the types of disasters that have happened elsewhere in the nation. Building and maintaining a sound infrastructure is essential.

Green Infrastructure

The budget I send to you today continues the long standing commitment of King County to preserve open space and provide a trails program that is the best in the nation. I am recommending committing nearly \$20 million to these programs in 2007. These programs are far more than nice recreational amenities. They are essential to a quality of life that includes clean air and water, a reduction in our contribution to global warming, and infrastructure for people to live healthy lifestyles. We have the ability and the responsibility to preserve important open spaces and natural lands before they are gone.

With this 2007 proposed investment in our future, the two year budget commitment to "green infrastructure" approaches \$40 million. The proposed investments in 2007 include more than 1,200 acres of protected open space, including riverfront lands along the Cedar, Green and Tolt rivers, expanding our nationally acclaimed trail system and providing much needed improvements to parks, pools and other amenities. These investments will be funded from the real estate excise tax (REET) and conservation futures tax (CFT). These investments now are wise and prudent as REET will decline over time as we are successful with our annexation initiative.

In 2007 I am proposing to invest \$11.5 million in CFT funds on a number of projects throughout King County, including:

- \$2.5 million for a proposed Eastside Rail Trail;
- \$1.3 million to purchase nearly 24 acres to expand Discovery Park in Seattle;
- \$750,000 for the Bellevue Greenways and open space system;
- \$400,000 to preserve Camp Kilworth Forest and near shore areas in Federal Way, and
- \$300,000 to acquire Bass/Beaver/Dandy Lake complex

I am also proposing to allocate more than \$8 million for planning, redevelopment and property acquisition, including:

- \$1.1 million for East Lake Sammamish Trail master planning;
- \$1 million for Soos Creek Trail work;
- \$655,000 for Burke Gilman Trail redevelopment;
- \$600,000 for Enumclaw Plateau Trail bridge design and permitting, and
- \$476,000 for Green River Trail bridge permitting

Implementing the Veteran's and Human Services Levy

The Veterans and Human Services Levy was authorized by voters in 2005 to improve and strengthen services for veterans, their families and other people in need. Levy collection began this year, and each of the two levy funds will collect an estimated \$6.3 million each year for the next six years.

In 2007 the Veterans and Human Services Levy funds will spend the remaining 2006 revenues and 2007 revenues in accordance with the King County Veterans and Human Services Levy Improvement Plan, which was transmitted to the County Council during the 3rd quarter of 2006. The Improvement Plan reviews current services and identifies opportunities for reduction in cost of emergency medical, health, housing, criminal justice and self-sufficiency services by investing in services now. In addition, the Improvement Plan includes a financial plan for spending the estimated \$85 million the levy will raise over 6 years. The expenditure areas include:

- Enhancing access to services for veterans and families;
- Ending homelessness through outreach, prevention, permanent supportive housing and employment;
- Increasing access to behavioral health services;
- Strengthening families at risk, and
- Increasing effectiveness of resource management & evaluation

The Executive's 2007 proposed budget provides appropriation authority to implement the first year of the plan. True to the ordinance, the allocation plan shows the 50/50 split of levy proceeds for veterans and non-veterans services. The majority of first year funds collected in 2006 have been dedicated to capital and other one time investments to expand housing capacity. A total of \$2 million annually is set aside for expansions to the King County Veterans' Program services, \$1.5 million annually is devoted to early intervention and prevention programs to

reduce dependency and criminal justice costs, and up to \$1 million per year will be made available for capital projects, all as provided in the ordinance. The majority of the remaining funds will be available through competitive procurement processes.

The Children's Health Initiative

While the county continues to face rising healthcare costs and an increase in the numbers of uninsured patients, the needs of one segment of the uninsured population is particularly pressing. Four percent of all children in King County – approximately 16,000 children – do not have health insurance and have limited access to basic health care services. This is unacceptable. What is even more unacceptable is that almost half of these children are eligible for existing programs: Medicaid, State Children's Health Insurance Program (SCHIP) or Basic Health Plan coverage. Yet these children are not taking advantage of the available insurance and remain uninsured. We know that access to early preventive health care services can profoundly affect a child's health and well-being and their readiness for success in school.

Last year, I directed the Public Health Department to create a task force to advise King County on what we could do to address this issue. The task force recommended, and today I am proposing, that King County implement a two phase approach to improving the health of low income children starting with outreach and access, followed with a health insurance program to fill the "gap" that current public coverage programs leave. My proposed budget provides funding for the first phase of this program. Low income children eligible for existing public health insurance programs will be identified by implementing a targeted access and outreach program. Staff will link these children with application workers who will assist them in enrolling in available insurance programs. I urge the council to approve this program and allow us to move forward with a program to assist our most vulnerable population – the children of King County.

This initial phase of the Children's Health Initiative is not just the right thing to do to begin to address the unacceptable number of children who are without health coverage, it is also the prudent financial thing to do. Many of the children currently without health coverage use the clinic services of the Public Health Department. Coverage of these children, through programs for which they are eligible, will bring additional needed reimbursements and in some small way assist in addressing the fiscal crisis the department faces.

Health Reform

2007 will be a banner year for our efforts to reform our health programs. It will mark the first year of full implementation of the new benefit programs developed jointly with our labor partners through the Joint Labor Management Insurance Committee. King County will continue its participation and leadership in the Puget Sound Health Alliance. Two key directives of the Health Reform Initiative (HRI) are to improve the health of county employees and their dependents, and reduce the rate of growth of medical plan costs by one third. In 2006, employees completed Wellness Assessments and Personal Action Plans, which determine eligibility for enrollment in 2007. In 2007, the HRI will continue implementation of a comprehensive measurement and evaluation program designed to provide the county with the information needed to assess the effectiveness of each HRI intervention and determine whether

the initiative as a whole is slowing the projected increases in medical care costs. This budget also includes approximately \$400,000 for the second year of the data base funding to provide the county and the region comparison reports through the Puget Sound Health Alliance as unanimously adopted by the County Council last month.

Performance Measures

For several years I have transmitted to the County Council, along with the proposed budget, the *Executive Performance Measurement Initiative* report. That document presented the performance measures used by Executive agencies to assess our delivery of services to the public and how efficiently and effectively we were doing so. I am pleased to present to you this year a new, more comprehensive *King County AIMS High: Annual Indicators and Measures* report. This new report is designed to be an ongoing progress report and a high level snapshot of departments' activities and measures. This new report fulfills my pledge to you last year that King County can and would make further improvements in our performance measurement efforts. Measuring performance is a hallmark of good governance in the 21st century and one that my administration champions, as I know the County Council also does.

On the Executive side we have made progress beyond this major recasting of our performance measures report. We have begun the KingStat program which will work with Executive agencies to further develop performance measures that assess the efficiency with which we deliver services and the effectiveness of those programs. We have strengthened the connections between the budget preparation process, the development of business plans and the use of performance measures by including the King County Auditor's Performance Measure Work Group's guidelines on performance measures and business planning as a formal part of budget instructions. The budget review process included the most extensive review of business plans and performance measures to date.

Working together with the Council Auditor we can make our performance measurement program a model. I look forward to working with the Council Auditor to further our performance measures work.

Annexations and Regional and Local Service Allocation

Begun in 2004, 2006 marks the third year of the Annexation Initiative. It was a year of significant progress, progress that should result in substantial forward movement in 2007 on potential annexation of five of the original ten Potential Annexation Areas (PAAs) identified at the beginning of the initiative. In support of annexation efforts, the Washington State Legislature adopted Substitute Senate Bill 6686 which provides a sales tax credit to cities annexing areas with populations above a threshold number. This legislation substantially improves the economics of annexation for many King County cities, providing a state sales tax credit for up to ten years of 0.1 percent for annexations of at least 10,000 people and up to 0.2 percent for an annexed area with a population greater than 20,000. This legislation has spurred renewed interest from several cities in working with my office and the Office of Management and Budget to move forward with the annexation of their respective PAAs.

While the state sales tax credit addresses much of the ongoing fiscal challenge of annexation, cities note the continued need for county annexation incentive funds to help address one time transition costs associated with annexation. With this renewed interest in annexation, I am forwarding proposed legislation to you that will extend the Annexation Initiative and the \$10 million reservation of CX support for that initiative for four more years, through 2010.

My proposal to extend this important county initiative holds the promise of substantial potential CX savings. The combined potential annual net benefit to the General Fund, resulting from the annexation or incorporation of East Federal Way, Fairwood, Benson Hill, Preserve Our Plateau, West Hill, North Highline, Lea Hill and Auburn West Hill, could be as high as \$7 million in 2009 after departments fully implement operational changes and budget reductions due to reduced local service responsibilities. The savings could reach as high as \$19 million in 2012.

I will soon be sending the County Council, for its consideration, proposed Interlocal Agreements (ILAs) with the Cities of Renton, Auburn and Federal Way. Upon approval, these ILAs will move us forward with potential annexations of almost half of the ten PAAs identified when we began the Annexation Initiative. I urge the council to act on these ILAs promptly.

Together we sowed the seeds of promoting annexation in 2004. Those seeds are about to bring forward substantial benefits to the county and I urge the council to extend this important program.

Sheriff's Blue Ribbon Panel Implementation

As I have previously announced, the 2007 proposed budget begins to address the nine priority issues identified in the Sheriff's Blue Ribbon Panel report that was issued on September 11, 2006. This panel was convened earlier this year, charged with examining the management, supervision, disciplinary, and public accountability processes in the Sheriff's Office. The nine priority recommendations of the panel addressed reducing supervisor's span of control, creating internal and external oversight functions, increasing training, establishing an employee early intervention system, improving labor relations, and conducting a cultural audit. The first year cost of these nine recommendations was estimated by the panel to be \$4.8 million.

In reviewing the recommendations of the panel, I considered a number of criteria to determine whether to recommend the Sheriff be provided additional resources to implement the recommendations. Those criteria included increased public accountability, improvement in officer performance, our ability to fund the recommendation from available resources, whether we could adapt similar programs already in the Sheriff's budget, what alternatives existed to achieve the same results at lower cost, the out-year impact of the recommendation, the potential for offsetting revenue, and the timing and sequencing.

Based on these criteria, I am recommending funding four of the nine priority recommendations in the 2007 proposed budget at a cost of \$1.3 million in new CX resources and the use of \$1.1 million of unused resources in the Sheriff's Office budget. Foremost among these is the establishment of an Office of Independent Oversight. The Office of Independent Oversight is budgeted outside of the Sheriff's Office. The other items include the reduction in the span of

control through the authorization of ten new sergeants, the creation of an Inspectional Services Unit, and the development of an Employee Early Intervention System. I am recommending the span of control proposal be financed with a combination of new and existing resources. I am also recommending new funding to create the Inspectional Services Unit, the Employee Early Intervention System, and the Office of Independent Oversight. All of these recommendations address one of the clear objectives of the panel in its recommendations: accountability. Public trust is essential for a police agency to protect and serve the public. The implementation of my recommendations will address that core value.

Request for Proposals for Dependency Hearings Services

After accounting for a reduction in contract revenue, the OPD will again see a substantial increase in its budget in 2007. These increases are driven in part by the implementation of the adopted 2005 model that prescribes how OPD contracts are to be negotiated. They are also driven in part by increases in the demand for public defense services, particularly in the areas of misdemeanor and felony caseload, contempt of court cases, and the addition of Drug Court calendars.

In 2006, the dependency case area underwent a change in court processes when all dependency review hearings were altered to contested hearings. This process has resulted in a change in the work processes for each hearing. In response to these significant changes in work processes, the 2007 proposed budget recommends issuing a request for proposals (RFP) for dependency case public defense services. The RFP process allows the county to ask all interested parties, current contractors included, to propose a package of services required for the entire dependency case area. This is a prudent course of action to determine whether the county can realize efficiencies in the provision of public defense services while at the same time continuing to provide quality defense services to those in need.

Automated Fingerprint Identification System (AFIS)

Another area, where we have and will continue to demonstrate our accountability to the public, is in our operation of the Automated Fingerprint Identification System, or AFIS. This last September the public, by its vote, made clear to us that they understood the importance and value of this program by approving a new six year levy to support the program. AFIS is a regional law enforcement tool managed by the King County Sheriff's Office. We promised to the voters that we would not only support the continued operations of this program, but we would also begin several new initiatives: replacement and enhancement of the AFIS computer; the conversion of paper palm print cards to electronic format, the addition of latent photographers to King County AFIS and the Seattle Police Department, and an increase in the number of Live Scan Units. My proposed budget keeps faith with the voters and includes all of the new initiatives approved by them.

Other Law, Safety, and Justice Programs

Law, safety, and justice programs remain the highest priority expenditures for King County and the 2007 budget preserves and, in some cases, increase those programs. For 2007, law, safety, and justice agencies will maintain their total share of CX expenditures at approximately 70 percent of the total CX budget.

It is more important than ever for the criminal justice system members to continue to work together to insure that law, safety, and justice services are offered to provide safe, secure communities for our citizens. The need for our continuing commitment to work together to develop further criminal justice system reform was made clear this year as the county struggled to implement enhanced dependency hearings and address the increased demand for Drug Diversion Court. The need for additional resources in Drug Diversion Court clearly demonstrated the system wide impacts addressing this need can have. The expanded demand to participate in this program resulted in the Superior Court considering the addition of an additional judge to provide more calendars. Superior Court, Prosecuting Attorney's Office, Department of Adult and Juvenile Detention, and the Office of Public Defender (OPD) worked together to identify the resources necessary to ensure that the decision to expand the court could be made in the context of all costs and policy considerations. We have achieved that goal in this budget. I applaud the efforts of the Prosecuting Attorney and the Presiding Judge of the Superior Court for their efforts in this area.

The 2007 proposed budget provides resources for our other criminal justice agencies to meet increased demands for service. In the Department of Judicial Administration, resources are provided to meet the work load imposed by the expansion of Drug Court through the addition of case managers. In the Prosecuting Attorney's Office, we have also provided additional resources to support Drug Court expansion and have proposed additional support for the Early Plea Unit. This commitment follows through on one of the recommendations of the Adult Justice Operational Master Plan: to encourage the resolution of a criminal case at the earliest possible point in time. Early resolution of cases ripples through the entire criminal justice system, creating efficiencies in the courts, in jail population, and in public defense. The additional resources in the Prosecuting Attorney's Office will help to substantially reduce the current backlog of pending filing decisions. In District Court, we have proposed providing relief for the work created by the 15 percent increase in District Court case filings in 2006. This relief will support the court until the staffing study, currently underway, is completed and a full assessment of long term staffing needs can be made. Finally, in the Superior Court, I am proposing additional resources to meet changing demands for services, particularly in the areas of the dependency calendar, pro tem judge support, and Family Treatment Court.

Fees and Charges

The 2007 proposed budget continues to emphasize prudent fiscal management. I am proud to submit a budget that holds steady most of the county's fees and charges for service. For example, the 2007 proposed budget assumes that transit fares, which were last changed in 2001, will remain steady. In addition, the Solid Waste Division is able to operate in 2007 without an increase in the tipping fee – one year beyond the original forecast.

However, after careful consideration, my proposed budget recommends increases to a select group of county fees and charges. These increases are recommended only for areas where an increase is required to enable the county to carry out and sustain programs. The fee increases and accompanying ordinances cover the Surface Water Management Fee, the Noxious Weed Fee, changes in plumbing and gas piping fees charged by the Department of Public Health,

certain King County International Airport fees, and the fees for parking charged to county employees in the new county garage.

While all of these fees are important to the operations of King County, the most critical is the proposed 9 percent increase in the Surface Water Management Fee. The 2007 proposed budget for the Water and Land Resources Division (WLRD) is designed to maintain the current level of service in the face of inflationary pressures and to meet new state and federal regulatory requirements. Among those new, mandatory regulatory requirements, is the permitting requirement of the National Pollutant Discharge Elimination System (NPDES) General Municipal Stormwater Permit, which is scheduled to be updated in late 2006. Administered by the Washington Department of Ecology, this permit regulates municipal stormwater management programs and specifies what actions the county must take, and what performance measures it must meet, to comply with the Clean Water Act. NPDES will require specific actions by the county, in 2007, to develop new and expanded programs that must be implemented in subsequent years to comply with the permit.

Complying with these requirements will impose substantial and mandatory ongoing costs on WLRD in 2007 and beyond. The 9 percent increase will result in approximately \$1.8 million in new revenue for WLRD in 2007, enabling it to largely maintain the level of service funded by the fee, comply with NPDES permitting requirements, and continue to address a backlog of Retention Detention Pond maintenance, an effort that will aid King County's compliance with the new NPDES permit. WLRD will continue its policy of transferring 30 percent of SWM Fee revenues to the Capital Improvement Program. If the fee is not approved, the work on the NPDES program must, in any event, continue and an equivalent dollar amount of lower priority discretionary programs funded by Surface Water Management Fees would be eliminated.

Transit Now

This November, the voters of King County will decide whether they want increased transit service throughout King County when they vote on the Transit Now proposition. If approved by the voters, King County would be authorized to raise the sales and use tax by 0.1 percent. The proposal would enable Metro Transit to make significant improvements in the capital and maintenance programs and enhance Metro's bus service throughout King County. The measure will allow Metro to meet future transit needs by increasing bus service at a rate that can better support our growing population and employment. The programs that Transit Now will enable include:

- RapidRide Bus Rapid Transit service, providing frequent all day service and faster travel times on five key travel corridors;
- Continued development of a multi-centered network of core bus routes providing frequent all day, two way, seven days a week service;
- Increased service to growing residential areas within the urban growth area;
- Increased service to rapidly expanding employment centers, and
- Improved Access paratransit and vanpool services

Transit Now is the right thing to do at the right time. The initiative provides more frequent and convenient service to existing riders and will get additional drivers off the road and into buses each weekday to keep regional congestion in check. The initiative provides new travel options and traffic relief to thousands of commuters who will be affected by construction of highways and other transportation projects. Transit Now, together with existing resources, will allow Metro to keep pace with employment and population growth, and will result in an overall increase of bus service by more than 20 percent system wide – or as much as 640,000 new hours of bus service over the next ten years. The environment will also win because more vehicles will be taken off the road – and that means less air pollution. However, I have not presumed the outcome of the November election on Transit Now. Therefore, I have not included it in my proposed 2007 budget. If the initiative is successful, I will transmit to you an addendum to my 2007 budget which will lay out my proposed budget changes for Metro Transit.

Financial Policies

To meet the continuing challenge of balancing the budget without resorting to the kinds of draconian actions we took from 2002 through 2005, we must continue on the path of prudent financial management practices we have followed in the past. To that end, last year I submitted draft legislation to the Metropolitan King County Council, for its consideration, which would codify the policies that lie at the heart of our commitment to prudent financial management. The legislation proposed to codify those policies which cover the county's CX undesignated fund balance policy, its CX debt service policy, and its Sales Tax Reserve policy. These policies are neither new nor should they be controversial. They support and reaffirm the County Council priority contained in the draft "*Priorities For People*": "Advance sound financial policies and prudently manage the public's money." King County has followed these policies for many years and they have served us well, enabling the county to maintain our strong bond ratings, even during years when faced with significant revenue shortfalls. I once again urge the King County Council to hold fast to these sound fiscal practices and to carefully consider and adopt the legislation which I have previously submitted. Adoption will send a clear message to our citizens, our stakeholders, and the financial community that King County is serious in preserving our strong credit rating and living within our means.

Arts and Cultural Capital Contributions

Over the years, King County has made significant contributions to the capital needs of the arts and cultural programs of King County. These contributions have supported a growing, dynamic and vibrant community that contributes to the quality of life for all of our citizens. But often those contributions have been with little analysis or knowledge about what the programs would bring to the community or the longer term viability of the program.

I believe it is time to call a recess to the approach we have used in the past in providing resources to these programs and take a more analytical approach to the allocation of our resources to these efforts. Today I ask the County Council to join me in beginning a process whereby requests for county support for arts and cultural capital programs would undergo a more rigorous scrutiny of the value of each proposal. Our Cultural Development Authority, 4Culture, has developed and uses an objective, comprehensive, and systematic approach to reviewing requests for support for capital funding. Today I am recommending to the County Council that King County use the

expertise 4Culture has developed and ask that organization to review all requests for capital funding support from arts and cultural programs. 4Culture's review would provide us as elected officials the information we need to make informed decisions on how we allocate funding for arts and culture programs to assure that they provide the most value for our citizens.

To be clear, this proposal is not made and must not be interpreted to mean, that King County's commitment to these programs is in any way diminished. It is made in recognition of the fact that each year we are asked to provide capital funding support that is beyond our financial capacity. We are forced to make choices and those choices should be based on a rigorous review of where our resources will be most beneficially used. I urge the County Council to join with me in instituting this new approach to looking at requests for capital support from our arts and cultural community.

Public Health Funding Crisis

No other county agency has felt the strain of the changing demographics of King County as has the Public Health Department. As the provider of healthcare to an ever increasing population of uninsured patients, Public Health faces the twin dilemmas of changes in Medicaid reimbursement policy that have resulted in a revenue decrease, at the same time as the demand for services by clients unable to pay for the services, has increased. In both 2005 and 2006, King County mitigated the impact of these pressures by increasing the use of county discretionary funding to continue services.

Over the last five years, that commitment by the county to public health has been demonstrated by the fact that between 2003 and the 2007 budget proposal I send to you today, the county's CX contribution to Public Health has grown by 80% from \$15 million to \$27 million. This growth pattern is unsustainable.

Together we must tackle this issue. And we have begun to do just that. We have started a two year operational master planning process to address service delivery issues that the department will need to confront in order to operate in an environment of expanding public health needs with diminished revenue sources. The results of that effort should be available to assist us in considering the needs of the department in 2008. Today, however, the situation is approaching a crisis.

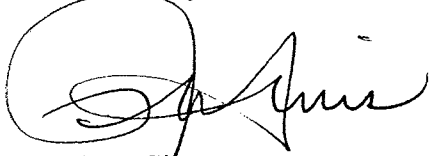
In preparing the 2007 proposed budget, I was confronted with the issue of closing two public health clinics or once again increasing the CX contribution to Public Health. I am pleased to tell you that I am recommending that the CX contribution to Public Health for these clinics be increased. But this funding will only keep the clinics open for the first six months of 2007.

This is not enough. The county cannot sustain the forecasted growth in unreimbursed costs for these services. Together with other agencies from throughout the state, we must go to Olympia and ensure the state addresses the public health funding crisis during the 2007 session. If the legislature fails to act to alleviate the crisis the county will once again be forced to close some or all of its clinics.

Honorable King County Councilmembers
October 16, 2006
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I ask the council to give my 2007 proposed budget your careful consideration and join with me in continuing to move King County forward.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ron Sims', with a large, stylized initial 'R'.

Ron Sims
King County Executive

Enclosures

cc: King County Councilmembers

ATTN: Ross Baker, Chief of Staff
Shelley Sutton, Policy Staff Director
William Nogle, ABRAC Budget Manager
Rebecha Cusack, Senior Budget Advisor
Anne Noris, Clerk of the Council

Department Directors

Bob Cowan, Director, Office of Management and Budget

Debora Gay, Deputy Director, Office of Management and Budget